

## **LME BUSINESS PLAN**

### **Introduction**

The LME Business Plan (LBP) template contained herein provides an outline of the specific functions and activities that are to be explicated, per the stated parameters, and submitted to the Secretary by March 31, 2007. As important as the LBP document itself is the process by which the detailed information relating to those functions and activities is obtained. It is incumbent upon the Local Management Entity/Area Authority/County Program (LME) to support a process that duly informs and involves consumers, family members and all relevant other stakeholders via community meetings, informational forums and media publications. Each LBP function must involve parties relevant to that specific function. For example, Governance and Administration would involve County Commissioners, Board members, CEO and LME leadership team members, and other community agencies.

To this end, DMH/DD/SAS will require a statement or pre-plan which outlines how the LME plans on implementing its process. The pre-plan must be developed by December 31, 2006 and submitted to DMH/DD/SAS at that time. This narrative might address particular strengths that the LME brings to the LBP rollout process, challenges that the LME will face in achieving its stated goals, and the intended stakeholder involvement in the LBP rollout. The intent is to indicate as clearly as possible at the beginning of this process the philosophy and direction of the LME in building on its success with the 2003-06 LBP. This is a four page or less document (not a part of the 50 page limitation of the formal LBP).

Per General Statute 122c-115.2c, the Local Management Entity/Area Authority/County Program must submit its proposed Local Business Plan (LBP), as approved by the board of county commissioners, to the Secretary for review and certification. The Secretary will review the LBP within 30 days of receipt. If the LBP meets all of the requirements of State law and standards adopted by the Secretary, then the Secretary will approve the plan and certify the LME. Implementation of the approved plans will begin July 1, 2007. If the Secretary determines that changes to the LBP are necessary, then the Secretary will notify the submitting LME and the applicable county commissioners and will indicate in the notification the changes that need to be made in order for the proposed program to be certified. The submitting LME shall have 30 days from receipt of the Secretary's notice to make the requested changes and resubmit the amended plan to the Secretary for review. The Secretary through DMH/DD/SAS will provide whatever assistance is necessary to resolve outstanding issues. Amendments to the LBP shall be subject to the approval of the participating boards of county commissioners.

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**Authority:** The Secretary of DHHS is required by 122C-112.1 to establish a process and criteria for the submission, review and approval or disapproval of LME Business Plans. Furthermore 122C-115.2 directs that every county through an area authority or county program develop an LME business plan. This document provides a framework for Local Management Entities to create the LME/BP, a strategic document developed through a collaborative partnership between LME staff, consumers, families and staff from DHHS.

**Relationship:** The LME Business Plan represents the scope of work of the contract between the Department of Health and Human Services hereafter referred to as the “Purchaser” (of administrative functions) and the local management entities (LMEs). The LME as a contractor has an obligation to allow sufficient transparency to support the ongoing verification by the Purchaser of the organization’s adherence to the Plan.

**Design:** The Purchaser recognizes that during the previous three years of Mental Health Reform, area authorities and county programs have had the flexibility to organize each local entity at their own discretion. The format for the LBP allows for that flexibility and offers each entity the opportunity to describe how it is organized to fulfill the core administrative functions.

- The plan is divided into six (6) chapters that correspond to six (6) administrative units common to many LMEs: Governance/Administration, Provider Relations, Service Management, Quality Management, Consumer Affairs and Business and Information Management. LMEs that have organized themselves under different administrative titles may substitute their own headings and expand or reduce the number of chapters.
- Each LBP chapter shall address the common elements of Mission, Purchaser Standards, Current Operations, Strategic Objective, Resource Allocation, and Business Rules.
- The total LBP response shall be no more than 50 pages. The LME Business Plan will be in the form of one bound hard copy and two CDs. The document shall contain numbered pages, with each chapter identified and with each element addressed. No attachments will be accepted.
- Each LBP will be reviewed by the Purchaser who will rate the plan pass, pass with recommendations or fail. Plan failures will require a plan of correction.
- Attachment I (the Cost Model Reference) identifies the functions and the activities within functions that the Purchaser’s cost model will fund. The assignment of these functions and activities within the organization remains within the purview of the local system. However, all of the core administrative functions (122C-115.2(b) (1) and (2) and 122C-115.4 must be addressed in one or more of the six chapters.

### **Elements:**

1. **Mission-** A mission statement is what the LME strives to accomplish.
2. **Purchaser Standards-** Purchaser has identified a number of the requirements, Policies, Statutes and Rules, as standards that apply to the administrative unit. Standards are listed as a reference for the LME to use when completing the LME/BP but are not intended to be an exhaustive list.
3. **Current Operations:** Current operations addresses how the LME has organized itself to fulfill all activities within the function and comprise a narrative of not more than 5 pages. An organizational chart is required for each discrete function.
4. **Strategic Objective:** Strategic Objective comprises a narrative identifying the planned improvements in operations in each of the next three years.
5. **Resource Allocation:** Resource Allocation compares the current operational costs of the LME with the cost model and requests an explanation for any significant deviation from that norm.
6. **Business Rules-** List six business rules (for each specific function): three which enhance and three which inhibit the efficiency and effectiveness of your organization. In examining business rules, it is expected that the LME will look both internally and externally. For example, in addition to listing things that the state or federal government might impose, are there things that the LME continues to do because “that’s the way we’ve always done them” that might not make sense in the current environment? For each business rule cited, indicate which actions could be taken to further enhance the positive rules and which actions could minimize the impact of the negative rules.

**#1**  
**GOVERNANCE AND ADMINISTRATION LME FUNCTIONS**

Each LME shall develop one of the forms of governance as described in NC General Statute 122C-115-1. The administrative responsibilities of the LME include, but are not limited to, policy development and implementation, LME accreditation, collaboration with other community and public agencies, development of a qualified provider network, divestiture, strategic planning and stewardship of funds and resources. The LME shall involve consumers and family members through active, regular participation in a Consumer and Family Advisory Committee that meets at least monthly.

1. **MISSION:** The LME shall include a mission statement regarding the operation of Governance, Management and Administration insuring compliance with the Performance Contract.

2. **PURCHASER STANDARDS**

*Per the 2004-07 Performance Contract, Attachments III:*

**III-1.0 LME**

**III.1 General Administration and Governance**

**III-1.1.1 Local Business Plan**

**Communication Bulletin #60, Legislative Changes to Area Board**

**11-7-06 Memorandum from Mike Moseley re. National Accreditation for LMEs**

**10A North Carolina Administrative Code-Section 27, MH, Community Facilities and Services**

**State Plan 2006-Chapter 7 “The Local Management of the System”**

**Session Law 2001-437 HB 381, Phase In Implementation of Mental Health Reform**

**Communication Bulletin # 50, Approved Accrediting Agencies**

**Communication Bulletin #35, Policy Guidance for Crisis Services**

**Communication Bulletin #20, Evaluation of Area Director**

**Communication Bulletin #11, Child Mental Health Plan**

**Communication Bulletin #7, Evidenced Based Practice-Adult MH**

**House Bill 2077**

*122C-115.2 describes the LME Business Plan requirements*

*122C-118.1 describes the Structure of the area board*

3. **CURRENT OPERATIONS:** Describe how the specific activities and responsibilities within the Governance, Management and Administration function are currently implemented in your organization.
4. **STRATEGIC OBJECTIVE:** For the next three years, identify areas of improvement needed in the Governance, Management and Administration functions stated in measurable terms, with objectives, target dates and timelines for completion, and the responsible individual(s). List the stakeholder groups to be involved in the planning process.
5. **RESOURCE ALLOCATION:** Describe how the current resource allocation supports the Governance, Management and Administration function.
  - Identify the current FTEs assigned to perform the Governance, Management and Administration function.
  - Provide information regarding the cost of performing the Governance functions; and if the cost is more than a 30% variance from the cost model allocation, provide a rationale/justification.
  - Identify any other operational variations from the assumptions in the cost model and provide a rationale/justification.
6. **BUSINESS RULES:**
  - List up to six of the most significant business rules which enhance or inhibit the efficiency and effectiveness operation of the Governance Management and Administration function.
  - Describe how operations would be different if there were effective changes to the business rules.

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#2  
**BUSINESS MANAGEMENT AND INFORMATION MANAGEMENT**

The LME must function efficiently and effectively in the management of funds assigned to support the administration and state funded services while remaining in compliance with state and federal fiscal requirements. Information systems and data management must support all applicable state and federal requirements for system monitoring, analysis and reporting.

1. **MISSION:** The LME shall include a mission statement regarding the operation of the Business Management and Information Management function ensuring compliance with the Performance Contract.

2. **PURCHASER STANDARDS:**

*Per the 2004-07 Performance Contract, Attachments II, III and IV:*

**II-1.0 Claims Processing**  
**II- 1.1 Billing and Claims Processing**  
**II-1.2 Reimbursement**  
**III-1.7.1 Claims Adjudication**  
**III-1.8 Information Management, Analysis and Reporting**  
**III-1.8.1 System Monitoring**  
**III-1.8.2 Consumer Information**  
**IV-1.0 Financing Principles**  
**IV-1.1 Operating Practices**  
**IV-2.0 Funding**  
**IV-2.1 Systems Management**  
**IV-2.2 Funds for Services Allocated by the DMH/DD/SAS**  
**IV-2.3 Medicaid Fee-For-Service Reimbursement**  
**IV-3.0 Reporting and Reconciling**  
**IV-3.1 Reporting**  
**IV.3.2 Reconciliation of Expenditures**  
**IV-3.3 Fund Balance**  
**IV-4.0 First Party Payments**  
**IV-4.1 Sliding Fee Schedule**  
**IV-4.2 Retention of Fees**

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3. **CURRENT OPERATIONS:** Describe how the specific activities and responsibilities in the Business and Information Management function are currently implemented in your organization.
4. **STRATEGIC OBJECTIVE:** For the next three years, identify areas of improvement needed within the business and information management function stated in measurable terms, with objectives, target dates and timelines for completion, and the responsible individual(s). List the stakeholder groups to be involved in the planning process of business and information management operations in each of the next three years.
5. **RESOURCE ALLOCATION:** Describe how the current resource allocation supports the Business Management and Information Management.
  - Identify the current FTEs assigned to perform the Business Management and Information Management.
  - Provide information regarding the cost of performing the Business Management and Information Managements functions and if the cost is more than a 30% variance from the cost model allocation provide a rationale/justification.
  - Identify any other operational variations from the assumptions in the cost model and provide a rationale/justification.

6. **BUSINESS RULES:**

- List up to six of the most significant business rules which enhance or inhibit the efficiency and effectiveness operation of the Business and Information Management function.
- Describe how operations would be different if there were effective changes to the business rules.

**#3**  
**PROVIDER RELATIONS AND DEVELOPMENT LME FUNCTIONS**

The service philosophy of the North Carolina State Plan 2005: Blueprint for Change includes expectations that the LME will recruit providers; identify generic community services and supports; implement and maintain the endorsement process; provide training, technical assistance and communication appropriate to maintaining a provider network; implement a social marketing plan; provide arbitration/ resolution of provider complaints/grievances; provide care coordination; and ensure collaboration among providers.

The Provider Relations aptitude of the LME is integral in the person-centered philosophy and “no wrong door” concept, as providers are the backbone for the service delivery system.

1. **MISSION:** The LME shall include a mission statement regarding the operation of the Provider Relations and Development function.
2. **PURCHASER STANDARDS:**

*Per the 2004-07 Performance Contract, Attachments II and III:*

**II-2.0 Provider Relations and Support**

**II-2.1 Qualified Provider Community Development Plan**

**II-2.2 Contracting for Service Delivery**

**II-2.3 Conflict of Interest**

**III-1.4 Provider Relations and Support**

**III-1.4.1 Proximity**

**III-1.4.2 SB 163 Provider Monitoring**

**Communication Bulletin # 44, Final Policy-Provider Endorsement**

**Communication Bulletin # 47, Provider Endorsement Transition Plan**

**Communication Bulletin # 49, Letter of Support**

**Communication Bulletin # 55, New Phases for Provider Endorsement: Policy Amendment for Conditional Endorsement**

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**Mental Health and Substance Abuse Block Grants Summary of Significant Federal Funding Requirements (see link below):**

**<http://www.dhhs.state.nc.us/mhddsas/performanceagreement/pa-attach11summary-sigfedfundreqs.pdf>**

3. **CURRENT OPERATIONS:** Describe how the specific activities and responsibilities within the Provider Relations and Development function are currently implemented in your organization.
4. **STRATEGIC OBJECTIVE:** For the next three years, identify areas of improvement needed within Provider Relations and Development, stated in measurable terms, with target dates/timelines for completion, and indicating the responsible person(s). List the stakeholder groups to be involved in the planning process.
5. **RESOURCE ALLOCATION:** Describe how the current resource allocation supports the Provider Relations and Development function.
  - Identify the current FTEs assigned to perform the Provider Relations and Development function.
  - Provide information regarding the cost of the performing the Provider Relations and Development function and if the cost is more than a 30% variance from the cost model allocation provide a rationale/justification.
  - Identify any other operational variations from the assumptions in the cost model and provide a rationale/justification.

6. **BUSINESS RULES:**

- List up to six of the most significant business rules which enhance or inhibit the efficiency and effectiveness operation of the Provider Relations and Development function.
- Describe how operations would be different if there were effective changes to the identified business rules.

**#4**  
**CUSTOMER SERVICE/CONSUMER AFFAIRS LME FUNCTIONS**

Customer Service/Consumer Affairs includes components of customer service and consumer rights. LME customer service offices are to respond to complaints, concerns, and information requests and to aid the consumer/legally responsible person in navigating the system. LMEs are responsible for promoting public information about services and consumer rights, supporting local disability interest groups, human rights committees and Consumer Family Advisory Committees and conducting rights investigations. Consumer Affairs should ensure that community-based systems remain compliant with rights protections for recipients of supports and services. This function is also dedicated to promoting an open and consumer-centered culture within the LME.

1. **MISSION:** The LME shall include a mission statement regarding the operation of Customer Service/Consumer Affairs insuring compliance to the Performance Contract.

2. **PURCHASER STANDARDS:**

*Per the 2004-07 Performance Contract, Attachments II and III:*

**II-5.0 Consumer Affairs and Services**

**III-1.5 Customer Services and Consumer Rights**

**III-1.5.1 Consumer Rights: Proper Notice**

**10A NC27G.0606- Area Authority Requirements Concerning Complaints Pertaining to all Provider Categories**

**10A NCAC 27I.0601-.0609 – Non-Medicaid Appeal Process**

**10A NCAC27G.0504 – Client Rights Committee**

**G.S 122C-10, G.S. 122C-14-20 – MH/DD/SA Consumer Advocacy Program**

**Communication Bulletin #038, Final Consumer Complaint Policy**

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3. **CURRENT OPERATIONS:** Describe how the specific activities and responsibilities within the Customer Service/Consumer Affairs function are currently implemented in your organization.
4. **STRATEGIC OBJECTIVE:** For the next three years, identify areas of improvement needed within Customer Service/Consumer Affairs, stated in measurable terms, with target dates/timelines for completion, and the responsible person(s) within the organization. List the stakeholder groups to be involved in the planning process.
5. **RESOURCE ALLOCATION:** Describe how the current resource allocation supports the Customer Service/Consumer Affairs functions.
  - Identify the current FTEs assigned to perform the Customer Service/Consumer Affairs function.
  - Provide information regarding the cost of performing the Customer Service/Consumer Affairs function and if the cost is more than a 30% variance from the cost model allocation provide a rationale/justification.
  - Identify any other operational variations from the assumptions in the cost model and provide a rationale/justification.
6. **BUSINESS RULES:**
  - List up to six of the most significant business rules which enhance or inhibit the efficiency and effectiveness operation of the Customer Service/Consumer Affairs function
  - Describe how operations would be different if there were effective changes to the identified business rules.



**#5**  
**SERVICE MANAGEMENT**

Per House Bill 2077-122C-115.4 (d) Functions of Local Management Entities, local management entities are responsible for the management and oversight of the public system of mental health, developmental disabilities, and substance abuse services at the community level. An LME shall plan, develop, implement and monitor services within a specified geographic area to ensure expected outcomes for consumers within available resources to include: (b) (1) access for all citizens to the core services described in G.S. 122C-2, (5) Care coordination and (6) Community Collaboration.

Providing access for all citizens to the core services described in GS 122C-2 is included under Service Management. In particular, this shall include the implementation of a 24 hour a day, seven day a week screening, triage and referral process and a uniform portal of entry into care.

Care Coordination is considered a Service Management Function with the support of Quality Management and Provider Relations and Development Management (monitoring & reviewing consumer charts). This function includes the direct monitoring of the effectiveness of person centered plans. It also includes the initiation of, and participation in, the development of required modifications to the plans for high risk and high cost consumers in order to achieve better client outcomes or equivalent outcomes in a more cost-effective manner. Monitoring effectiveness includes reviewing client outcomes data supplied by the provider, direct contact with consumers and review of consumer charts.

Service management also includes: utilization management, utilization review, and determination of the appropriate level and intensity of services, including the review of the person centered plans and authorization of state funded services; concurrent reviews of person centered plans for all consumers who receive Medicaid funded services; authorization of the utilization of State psychiatric hospitals and other State Facilities; authorization of eligibility determination for recipients under the CAP-MR/DD waiver.

1. **MISSION:** The LME shall include a mission statement regarding the Service Management function that includes Access, Care Coordination, Collaboration and Utilization Management, insuring compliance to the Performance Contract.
2. **PURCHASER STANDARDS:**

*Per the 2004-07 Performance Contract, Attachments II and III:*

- II-3.0 Access, Screening, Triage and Referral
- II-3.1 Single Entry for State Operated Institutions
- II-3.2 Access Line
- II-3.3 Choice
- II-3.4 Cross Area Service Programs
- II-4.0 Service Management
- II-4.1 Continuum of Service
- II-4.2 Notice of Service Denial, Suspension, Reduction or Termination
- II-4.3 Crisis Services
- II-4.4 Children's Services Memorandum of Agreement
- III-1.2 Access, Triage and Referral
  - III-1.2.1 Access to Emergent Care
  - III-1.2.2 Access to Urgent Care
  - III-1.2.3 Access to Routine Care
  - III-1.2.4 Access Line
- III-1.3 Service Management
  - III-1.3.1 Choice of Providers
  - III-1.3.2 Discharge Planning with State Operated Facilities
  - III-1.3.3 After-care Planning with State Operated Services
  - III-1.3.4 Compliance with Diversion Law (G.S. 122C-261(f))
  - III-1.3.5 Transition to Community Services
- III-1.8.2 Consumer Information

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Communication Bulletin #058, Services to Consumers who are Deaf, Hard of Hearing or Deaf-Blind  
Communication Bulletin #049, Letter of Support  
Communication Bulletin #34, Person Centered Planning Guidelines  
Communication Bulletin #35, Policy Guidance: Development of Community Based Crisis  
Stabilization Services  
Enhanced Services Implementation Update #14, Uniform Screening and Registration  
Enhanced Services Implementation Update #11, Clarification of Various Topics  
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3. **CURRENT OPERATIONS:** Describe how the specific activities and responsibilities within the Service Management function are currently implemented in your organization.
4. **STRATEGIC OBJECTIVE:** For the next three years, identify areas of improvement needed within the Service Management function, stated in measurable terms, with target dates/timelines for completion, and the responsible person(s) within the organization. List the stakeholder groups to be involved in the planning process.
5. **RESOURCE ALLOCATION:** Describe how the current resource allocation supports the Service Management function.
  - Identify the current FTEs assigned to perform the Service Management function.
  - Provide information regarding the cost of performing the Service Management function and if the cost is more than a 30% variance from the cost model allocation provide a rationale/justification.
  - Identify any other operational variations from the assumptions in the cost model and provide a rationale/justification.
6. **BUSINESS RULES:**
  - List up to six of the most significant business rules which enhance or inhibit the efficiency and effectiveness operation of the Service Management function
  - Describe how operations would be different if there were effective changes to the identified business rules.

**#6**  
**QUALITY MANAGEMENT**

House Bill 2077-122C-115.4. Functions of local Management Entities (b) (4) Quality Management. This function includes the monitoring of the effectiveness of person centered plans. Monitoring effectiveness includes reviewing client outcomes data supplied by the provider, direct contact with consumers and review of consumer charts. In collaboration with the care coordination function of service management, quality management includes participation in the development of required modifications to the plans for high risk and high cost consumers in order to achieve better client outcomes or equivalent outcomes in a more cost-effective manner.

1. **MISSION:** The LME shall include a mission statement regarding the operation of the Quality Management function insuring compliance to the Performance Contract.

2. **PURCHASER STANDARDS:**

*Per the 2004-07 Performance Contract, Attachment III: (Communication Bulletin #23)*

**III-1.6 Quality Management and Outcomes Evaluation**

**III-1.6.1 Quality Improvement Process**

**III-1.6.2 Incident Management**

**III-1.6.3 Incident Reporting**

**III-1.8.2 Consumer Information**

**Communication Bulletin #043, State Plan 2005: Blue Print for Change, Chapter 5, Quality Management.**

**Communication Bulletin #56, LME Complaint Reporting, Attachment 3, LME Quarterly Complaint Report.  
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**SAMHSA's National Outcomes Measures in compliance with NC-TOPPS requirements in Performance Contract Attachment III, 1.8.2 Consumer Information.**

3. **CURRENT OPERATIONS:** Describe how the specific activities and responsibilities within the Quality Management function are currently implemented in your organization.
4. **STRATEGIC OBJECTIVE:** For the next three years, identify areas of improvement needed within the Quality Management function, stated in measurable terms, with target dates/timelines for completion, and the responsible person(s) within the organization. List the stakeholder groups to be involved in the planning process.
5. **RESOURCE ALLOCATION:** Describe how the current resource allocation supports the Quality Management function.
  - Identify the current FTEs assigned to perform the Quality Management function.
  - Provide information regarding the cost of performing the Quality Management function and if the cost is more than a 30% variance from the cost model allocation provide a rationale/justification.
  - Identify any other operational variations from the assumptions in the cost model and provide a rationale/justification.
6. **BUSINESS RULES:**
  - List up to six of the most significant business rules which enhance or inhibit the efficiency and effectiveness operation of the Service Management function
  - Describe how operations would be different if there were effective changes to the identified business rules.

### **Local Business Plan: Process Review Report**

Noting the pre-planning submittal to DMH/DD/SAS at the end of December 2006, DMH/DD/SAS requests that the LME, in its LBP narrative, indicates the process that actually occurred in creating the LBP and its similarities and contrasts with the pre-plan. This two page report would include detailed information as to how the community was informed of and involved in the planning process, what meetings and other informational gatherings occurred in the course of the process, what methods were used to inform interested parties of the process, and an indication of internal and external parties to the actual writing of the plan. These two pages will not be counted towards the 50 page limitation of the LBP.